



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Participation in San Joaquin County Contract for Purchase of Office Supplies

MEETING DATE: October 6, 1993

PREPARED BY: Finance Director

RECOMMENDED ACTION: That the City Council adopt the attached resolution authorizing the City of Lodi to purchase office supplies under the terms of the contract between San Joaquin County and Eastman, Inc.

BACKGROUND INFORMATION: In April, 1993, the San Joaquin County Department of General Services, Purchasing Division, solicited bids to furnish and deliver office supplies to seven public agencies in the San Joaquin/Stanislaus County region. Bids were opened on April 21, 1993, with the following results:

Eastman, Inc., Stockton	\$ 876,755.76
Boise Cascade, Sacramento	\$ 999,932.05
Lindsay's Business Systems, Newcastle	\$1,108,691.46
Mitchell Snow, Inc., San Mateo	\$1,119,231.80
Schwabacher Frey, Sacramento	\$1,147,236.13

Due to the volume generated by the combined requirements of the seven agencies, the contract pricing provides substantial savings compared to prices obtained through individual agency bids.

Moreover, Eastman provides electronic data interchange capability through a computer-dialed 800 number: orders placed via computer by 5:00 are delivered next day, and product price and availability can be checked electronically, all of which provides significant time savings for staff.

The annual savings for the City under this buying agreement is estimated to be approximately \$5,000.

FUNDING: None required to participate in the contract.


Dixon Flynn, Finance Director

Prepared by Joel Harris, Purchasing Officer

APPROVED: 

THOMAS A. PETERSON
City Manager



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SAN JOAQUIN COUNTY

CONTRACT #: TA4-062003R

COMMODITY : Office Supply

CONTRACTOR: Eastman Inc.

EFFECTIVE DATE: 7-1-93 to 6-30-94

BID #. 5040

PREVIOUS
CONTRACT #: TA3-067005R

DEPARTMENT: Various

SALES/USE TAX: Plus

TERMS: Net 30 Days
DELIVERY: As Required (delivered 2 days ARO)
FOB POINT: Destination/Full Freight Allowed
MIN. ORDER: None
PRICING: Firm through 6-30-94

VENUM: EAI690490
COMMOD. CODE: 61500
CONTACT PERSON: Bill Molen Sales Representative
PHONE NUMBER: 209-473-4281
FAX NUMBER: 209-473-8931
ADDRESS: 7711 Murray, Stockton, California 95211

AGREEMENT FOR SERVICE

Office Supplies

THIS AGREEMENT is made and entered into on this 1st day of July, 1993, by and between the COUNTY OF SAN JOAQUIN, a political subdivision of the State of California, hereinafter referred to as "COUNTY" and EASTMAN, INC., a Corporation doing business in California, hereinafter referred to as "CONTRACTOR".

WITNESSETH:

WHEREAS, COUNTY has need for office supplies; and

WHEREAS, the CONTRACTOR is able to supply such products;

NOW THEREFORE, the parties mutually agree as follows:

1. SCOPE OF SERVICE; INCLUSION OF OTHER PUBLIC AGENCIES AND ENTITIES: The CONTRACTOR shall provide the COUNTY with COUNTY's office supply requirements on an "as needed" basis, in accordance with the Request for Bid NO. 5040, and CONTRACTOR's response thereto, both of which are hereby incorporated by this reference as part of this Agreement.

The public agencies and entities listed in Exhibit 1, attached hereto and made a part of this Agreement by reference, shall be entitled to purchase office supplies from CONTRACTOR under the same terms and conditions set out for COUNTY. Additional public agencies and entities may be added to Exhibit 1 upon the mutual written agreement of COUNTY, CONTRACTOR and the agency or entity. Such participating agencies or entities shall make purchases in their own names, make payment directly to bidder and be liable directly to

CONTRACTOR, holding the COUNTY harmless. Such participating agencies and entities shall not have in force any other agreement for like purchases, nor shall it be under consideration for award any other bids or quotations for like purchases.

2. TERM OF AGREEMENT: This Agreement shall commence on July 1, 1993, and shall terminate on June 30, 1994, subject to the COUNTY's availability of funds.

The COUNTY may elect to extend this Agreement for four (4) additional one (1) year terms under the same terms and conditions set out herein. COUNTY shall communicate its intent to exercise the option to extend the Agreement for an additional term no later than thirty (30) days prior to the end of the current term.

3. COMPENSATION: COUNTY shall compensate CONTRACTOR for those products requested and accepted by COUNTY. Payments will be in the amounts set out in CONTRACTOR's Schedule A and B of Bid No. 5040, payable in arrears against invoices as submitted to and received by COUNTY. Prices quoted by CONTRACTOR in Bid No. 5040 shall be firm throughout the term of this Agreement. Provided however, CONTRACTOR may request that an adjustment be made to the price quotes for products to be effective for the next term of the Agreement if the proposed adjustment is submitted to the COUNTY in writing at least sixty (60) days prior to the expiration of the then current term.

CONTRACTOR will make a volume discount reimbursement payment to COUNTY within thirty (30) calendar days after the close of each calendar quarter for the first year of the Agreement. The reimbursement payment shall be in an amount which is calculated from the dollar amount of purchases from CONTRACTOR by COUNTY. Reimbursement shall be in the amount of 10% of the purchase price paid by COUNTY for those products which are identified in Schedule "A" of Bid NO. 5040. CONTRACTOR will also reimburse COUNTY 3% of the price paid by COUNTY for the purchase of all cataloged and inventoried products outside of schedule "A". In the event that during any quarter of the annual term, COUNTY withholds

more than 5 % of the total amount due to CONTRACTOR for more than 60 days, the COUNTY shall not be eligible for the reimbursement for the current term of the Agreement. The volume discount reimbursement payment shall be made available to the public entities and agencies which are listed in the Request for Bid No. 5040 and subject to the conditions set out in this Clause.

The CONTRACTOR shall provide COUNTY with a quarterly report which sets out the dollar amount which was expended by the COUNTY and by each public agency and which qualified for a reimbursement payment to the COUNTY. The basis for this calculation is the individual monthly statement from the Contractor for each participating agency. Furniture purchases will not be calculated into the reimbursement figures. The COUNTY will receive the quarterly reimbursement either by a check or credit. COUNTY shall make the distribution to the public agencies and entities based upon the quarterly report.

No less than sixty (60) days prior to the end of the first year of this Agreement, or any extension thereto, CONTRACTOR shall make a written proposal to COUNTY as to the terms and conditions for volume discount reimbursement for the succeeding term. In the event that CONTRACTOR does not provide a timely proposal, such reimbursement payments shall be considered to have expired and inapplicable to the succeeding term.

4. PRICE CHANGE: The CONTRACTOR shall furnish COUNTY with new discounted net price lists to justify changes in the prices no more frequently than quarterly. The COUNTY reserves the right to require the CONTRACTOR to supply vendor invoices to substantiate such price changes.

5. NON-STOCK ITEMS: Contractor shall furnish the COUNTY with quarterly reports of those items the CONTRACTOR supplied which were non-stock items in CONTRACTOR's warehouse. The CONTRACTOR shall be required to stock those item which appear on successive reports and which the COUNTY designates as a critical stock requirement.

6. COMPLIANCE REQUIREMENTS: The CONTRACTOR shall keep informed of and observe all prevailing Federal and State laws, rules and regulations pursuant thereto which in any way relate to the services and products provided by CONTRACTOR under this Agreement.

CONTRACTOR represents that it has complied with the provisions of the California Unfair Trade Practices Act in making bids, quotations, and setting prices for this Agreement. Contractor represents that it will not be in violation of that Act or any other requirement of Federal, State, or local law or regulation by providing the product, and/or service for the price set out on this Agreement.

Contractor shall save harmless, defend and indemnify the County and its officers, agents and employees against any liability or claim arising from or based upon CONTRACTOR's acts or failures to act under this Agreement or CONTRACTOR's violation of any law, ordinance, regulation, order or decree, whether by himself, his agent, or employee.

7. ORDERS: Orders shall be placed by the various COUNTY, or agency or entity Departments, as set out in the "Specifications" portion of the Request for Bid No. 5040. Orders will be written on an order form furnished by the CONTRACTOR as items are needed.

8. DELIVERY: Deliveries of ordered products shall be made within two (2) days after the order is received by CONTRACTOR. All supplies shall be packaged and marked for specific ordering departments of COUNTY or the public agencies or entities listed in Exhibit 1. Delivery of the products shall be F.O.B. Destination and Full Freight Allowed directly to the location of the ordering department. The COUNTY and agencies and entities of Exhibit 1 reserve the right to add or delete delivery points, as dictated by their business requirements.

9. REJECTION OF DELIVERY: Materials must meet specifications. Ordering Departments will notify the CONTRACTOR within thirty (30) days after receipt of any

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incorrectly ordered, delivered or defective material. The CONTRACTOR will provide the Department with a return authorization. Contractor's driver will pick up the products to be returned within ten (10) working days from notification, at vendors expense, or the products may be disposed of or destroyed by the Department. The COUNTY and the agencies and entities listed on Exhibit 1 will not be responsible, nor pay for, rejected, defective, or returned products. No service charges or restocking charges shall be levied for the return of products. Except however, a service charge or restock charge may be levied for the return of specialty items or custom ordered items which were identified by CONTRACTOR to the ordering Department at the time of receipt of the order, and where the returned item is not readily remarketable in the COUNTY's opinion or where the CONTRACTOR furnishes proof of restocking or service charges from the manufacturer. In the case of a return with a restocking charge which amounts to the full CONTRACTOR's invoice price, the item will be redelivered to the Department at no additional charge.

10. **INVOICING:** Invoicing shall be provided by CONTRACTOR, in duplicate, showing the fund, Department, date, budget unit number, vendor number or ordering Department and itemizing the units ordered with unit price and extended amounts. The total price shall include applicable taxes.

11. **TERMINATION OF AGREEMENT FOR CAUSE:** If CONTRACTOR fails to perform CONTRACTOR's duties to the satisfaction of the COUNTY, or if CONTRACTOR fails to fulfill in a timely and professional manner CONTRACTOR's obligations under this Agreement, or if CONTRACTOR shall violate any of the terms or provisions of this Agreement, then COUNTY shall have the right to terminate this Agreement effective immediately upon the COUNTY giving written notice thereof to the CONTRACTOR. In addition, either party may terminate this Agreement upon thirty (30) days written notice to the other party.

Termination shall have no effect upon the rights and obligations of the parties arising out

of any transaction occurring prior to the effective date of such termination. CONTRACTOR shall be paid for all work substantially completed prior to the effective date of such termination.

12. AUDIT: The COUNTY reserves the right to audit the records of CONTRACTOR related to this Agreement at reasonable times during normal hours to determine compliance by CONTRACTOR of its obligations under this Agreement.

13. EQUAL EMPLOYMENT OPPORTUNITY: During the performance of this Agreement, the CONTRACTOR agrees that it will not discriminate against any employee or applicant for employment because of race, color, age, religion, sex, national origin, handicap, or veteran status.

14. DRUG FREE WORKPLACE: During the performance of this Agreement, the CONTRACTOR agrees that it will provide a drug free workplace, in accordance to the Government Code for Drug Free Workplace Act.

15. ENTIRE AGREEMENT AND MODIFICATION: This Agreement supersedes all previous Agreements and constitutes the entire understanding of the parties hereto. CONTRACTOR shall be entitled to no other benefits than those specified herein. No changes, amendments or alterations shall be effective unless in writing and signed by both parties.

16. NOTICES: All notices required to be given under this Agreement shall be in writing. Such notices shall be as indicated as follows:

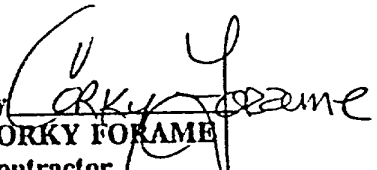
FOR THE CONTRACTOR: Eastman Inc.
7711 Murray
Stockton, CA 95211

FOR THE COUNTY: Purchasing Department
222 E. Weber Ave. #675
Stockton, CA 95202

IN WITNESS WHEREOF, County and Contractor have executed this

Agreement on the day and year first hereinabove set forth.

EASTMAN INC.
7711 MURRY
STOCKTON, CA 95211

By 
CORKY FORAME
Contractor

COUNTY OF SAN JOAQUIN, a
political subdivision of the
State of California

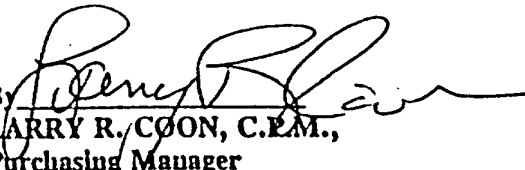
By 
LARRY R. COON, C.E.M.,
Purchasing Manager

EXHIBIT 1
Multi Tax Supported Agencies

City Agencies

City of Lodi
City of Manteca
City of Modesto
City of Stockton
City of Yuba

County Agencies

San Joaquin County
Stanislaus County

RESOLUTION NO. 93-128

A RESOLUTION OF THE LODI CITY COUNCIL
AUTHORIZING PARTICIPATION IN SAN JOAQUIN COUNTY CONTRACT
FOR THE PURCHASE OF OFFICE SUPPLIES

WHEREAS, pursuant to Lodi Municipal Code Section 3.20.040, the Purchasing Officer, with the approval of the City Council, may authorize in writing any agency to purchase or contract for specified supplies, services and equipment independently of the Purchasing Department so long as such purchases are made in conformity with established purchasing procedures as set forth in the Lodi Municipal Code, and periodic reports are required of and provided by the agency on said purchases made under such written authorization;

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby authorizes the City of Lodi to purchase office supplies under the terms of the contract between the County of San Joaquin and Eastman, Inc., which firm was the low bidder in the April 21, 1993 bid opening by the San Joaquin County Department of General Services, Purchasing Division, to furnish and deliver office supplies to seven public agencies in the San Joaquin/Stanislaus County region.

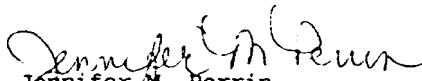
Dated: October 6, 1993

I hereby certify that Resolution No. 93-128 was passed and adopted by the Lodi City Council in a regular meeting held October 6, 1993 by the following vote:

Ayes: Council Members - Davenport, Mann, Sieglock, Snider,
and Pennino (Mayor)

Noes: Council Members - None

Absent: Council Members - None


Jennifer M. Perrin
City Clerk

93-128

RES93128/TXTA.02J